



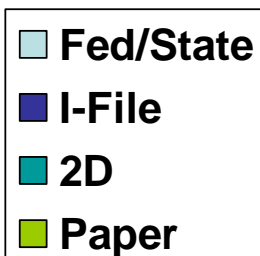
# Indiana Department of Revenue 2007 Tax Update

Tuesday, December 18, 2007

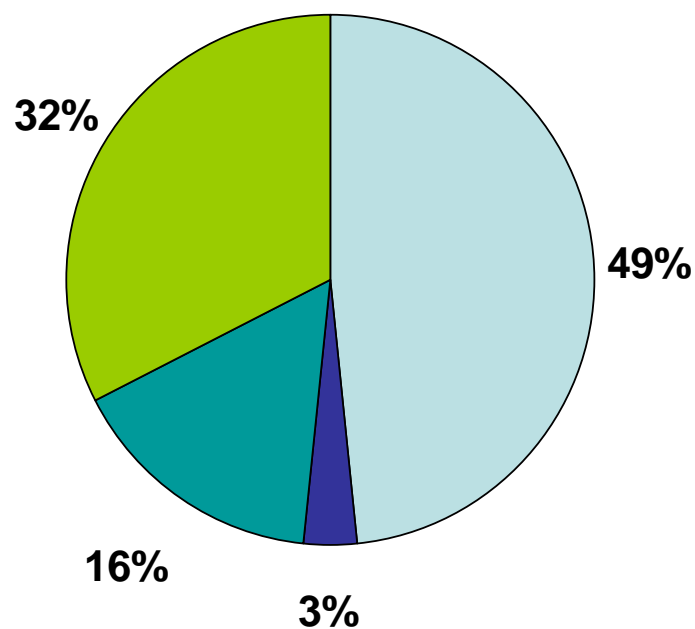
Indiana Department of Revenue



## 2006 TY Filing Statistics



**Total 2006  
Returns**  
2,979,743





# Business Tax

- **Collection allowance remains 0.83 percent on first \$60,000 in sales tax liability**
- **Collection allowance is 0.6 percent on sales tax liability between \$60,001 and \$600,000**
- **Collection allowance for sales tax remittance greater than \$600,000 is 0.3 percent**
- **Began July 2007**





# IT-40, IT-40 PNR and IT-40 EZ

## Personal Representative Information

- Name
- Telephone number
- Address

## Paid Preparer

Fill out this area if a paid preparer completed this tax return even if the paid preparer is the same individual designated by your client as the personal representative.





# IT-40, IT-40 PNR and IT-40 EZ

## Power of Attorney

- Hardcopy original
- A faxed copy
- A signed, electronic image (PDF, JPEG, GIF)
- Must notify the specific tax type and period
- The POA-1 form does not need to be notarized





# IT-40, IT-40 PNR and IT-40 EZ

## Power of Attorney

- **Mailing Address:**

P.O. Box 7230

Indianapolis, IN 46207-7230

- **Fax Number:** (317) 615-2736

- **E-mail:** [rabell@dor.IN.gov](mailto:rabell@dor.IN.gov)

- **Practitioner's Hotline** 317.233.4017

1.800.462.6320





# Electronic Filing Mandate

If a professional preparer files more than 100 tax returns in a calendar year for individuals, the paid preparer must file returns for individuals in an electronic format beginning with the next tax year.







# CollegeChoice 529

Tax credit available to all contributors, limited to:

- 20 percent of the amount of all contributions
- \$1,000
- Amount of tax liability (reduced by allowable credits)

New schedule IN-529-claims credit

Information Bulletin #98 [www.in.gov/dor](http://www.in.gov/dor)

**Non-qualified withdrawal (credit) must be recaptured  
on Schedule 529R**







# Individual Estimated Payments

## **Effective January 1, 2008:**

If an individual's annual unpaid liability is less than \$1,000, the taxpayer is not required to file quarterly estimated payments. The previous amount was \$400.





# View Estimated Tax Payments Online

Verify estimated-tax payments and balances online

- [www.in.gov/dor/epay](http://www.in.gov/dor/epay)
- Individual and corporate

Please have the following information available:

- Name
- Taxpayer ID number or Social Security number
- Current street address
- Last payment amount





# County Individual Income Tax Rates

Deadline extended for counties to adopt new local option individual income tax rates.

Counties have until December 31, 2007 to adopt.





# Military Pay Deduction

Effective January 1, 2008 the military pay and military retirement income tax deduction increased from \$2,000 to \$5,000.





# Reduced Threshold for EFT Payments

Filing threshold for EFT payments for

- All trust taxes

**lowered from \$10,000 to \$5,000**





# Personal Biodiesel Exemption

- Exemption from the tax for special fuel that has a nominal biodiesel content of at least 20 percent
- Only used for personal use
- Maximum number of gallons one may claim exempt is equal to 2,000 gallons divided by the average percentage volume of biodiesel in each gallon

You can apply for the exemption at:

**[www.in.gov/dor/taxforms/fuel-pdfs/bd-200.pdf](http://www.in.gov/dor/taxforms/fuel-pdfs/bd-200.pdf)**





# Energy Star Credit

- Effective January 1, 2008
- Equal to the lesser of 20 percent or \$100.00 spent on energy star heating and cooling equipment
- A pass through entity is eligible for the credit
- The credit may not exceed the taxpayer's tax liability
- There is no carry back, carry forward, or refund







# Health Insurance Credit

- Employer that did not provide health insurance to his employees prior to January 1, 2007
- Credit (non-refundable) is lesser of \$2,500 or \$50 multiplied by the number of employees enrolled
- Informational bulletin 101:  
[www.in.gov/dor/reference/bulletins/income/pdf/ib101.pdf](http://www.in.gov/dor/reference/bulletins/income/pdf/ib101.pdf)





# INtax

**Online tax filing system that reduces the burden of managing business tax obligations.**

- Review account history
- File and pay Indiana taxes
- Order coupons-registration not required
- **[www.intax.in.gov](http://www.intax.in.gov)**





# Closing Trust Tax Accounts

BC-100 must be signed and completed

- Minutes of final board meeting
  - Articles of dissolution
  - Final utility bills
- 
- (317) 233-4015
- 
- [www.in.gov/dor/taxforms](http://www.in.gov/dor/taxforms)





# You can Order Forms...

[www.in.gov/dor/apps/fos](http://www.in.gov/dor/apps/fos)

Phone: (317) 615-2581





# Indiana Child Support

**Paper check payments for IN child support must be sent to  
PO Box 6219  
Indianapolis, IN 46206-6219**

## **Electronic Payments Required If:**

**Employers have more than 50 employees and more than one child support case**


## **“Orders to Withhold Income for the Annual Support Fee” Mailed**

**Questions about mailing or making payments call 317.232.0327 or 1.800.292.0403**

## **New Hire Reporting Requirements**

**Employers required to report newly/rehired employees to the IN New Hire reporting center within 20 days. Call 317.612.3028 or 7866.879.0198**





**Tax Preparers: Please ask your clients if they wish to donate all or a portion of their refund to the Nongame Fund.**

**Line 35 - Contribution to Indiana Nongame Wildlife Fund**

The Indiana Wildlife Diversity Section offers you the opportunity to play an active role in conserving Indiana's nongame and endangered wildlife. **This program is funded through public donations to Indiana's Nongame Fund.** The money you donate goes directly to the protection and management of more than 750 wildlife species in Indiana- from songbirds and river otters to state-endangered bald eagles and spotted turtles.

**[www.in.gov/dnr/fishwild/endangered](http://www.in.gov/dnr/fishwild/endangered)**





# Questions?

[feedback@dor.in.gov](mailto:feedback@dor.in.gov)

- Form suggestions
- Web site suggestions
- Department feedback
- Other issues
- Use subject line

Remember:

- Duplicate filings slow down process
- Update software
- Use PFC when sending payments

[www.in.gov/dor](http://www.in.gov/dor)

